Cannabis Mark-up Rate Remains at 80 Percent

The California Department of Tax and Fee Administration (CDTFA) is responsible for determining the cannabis mark-up rate every six months. We have determined the cannabis mark-up rate will remain unchanged at **80 percent** for the remainder of the 2020 calendar year. To make this determination, we used an analysis of statewide market data to calculate the mark-up rate between the wholesale cost and the retail selling price of cannabis and cannabis products.

The 15 percent cannabis excise tax is based on the average market price of the cannabis or cannabis products sold in a retail sale. The mark-up rate must be used by distributors to compute the average market price of cannabis or cannabis products sold or transferred to a retailer in an arm’s length transaction. In an arm’s length transaction, the average market price is the retailer’s wholesale cost of the cannabis or cannabis products plus the mark-up rate determined by us.

For current and prior cannabis mark-up rates, see our Special Taxes and Fees rate page at www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm, under Cannabis Taxes.

For more information
We encourage you to read our online Tax Guide for Cannabis Businesses at www.cdtfa.ca.gov/industry/cannabis.htm. You may also call our Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays. When calling, select the option for Special Taxes and Fees.

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Be Counted!
Have you filled out your #2020Census? If not, visit californiacensus.org today and take the Census now! Remember, the Census will never ask about your citizenship status or for your social security number, bank details, payment, or a donation. Remind your friends and family to #BeCounted for our future so resources are allocated for programs that help children, seniors, and families that need the hospitals, education, transportation, and first responders in your area. Your 2020 Census data is safe, protected, and confidential.

Complete your Census today! #ICount #CaliforniaForAll